

VZCZCXR05118
RR RUEHDIR
DE RUEHDE #0155/01 0641102
ZNY CCCCC ZZH
R 051102Z MAR 07
FM AMCONSUL DUBAI
TO RUEHC/SECSTATE WASHDC 5190
INFO RUEHAD/AMEMBASSY ABU DHABI 2211
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RUEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHMFIS/CDR USCENTCOM MACDILL AFB FL
RHBVAKS/COMFIFTHFLT
RUEHDE/AMCONSUL DUBAI 8270

C O N F I D E N T I A L SECTION 01 OF 02 DUBAI 000155

SIPDIS

SIPDIS

E.O. 12958: DECL: 2/8/2017
TAGS: PGOV PREL ETRD ECON KCOR AE
SUBJECT: FUJAIRAH CUSTOMS: BUDGET, TRAINING AND LEADERSHIP PROBLEMS
UNDERMINE EFFECTIVENESS

REF: 06 DUBAI 6928

DUBAI 00000155 001.2 OF 002

CLASSIFIED BY: Paul R Sutphin, Consul General, Dubai, UAE.
REASON: 1.4 (b), (d)

1.(C) Summary: On February 6, PolEconoffs met with Rashid Mohammed Saif Hamad, Director General of the Customs Department for the Emirate of Fujairah. Hamad discussed his department's operations, personnel, and budget issues, but showed significant gaps in his knowledge of his own organization. For example, Hamad's discussion of his actions regarding a recent Intellectual Property Rights (IPR) case concerning Phillip Morris demonstrated his lack of understanding of key issues and procedures. Hamad said that smuggling is not a problem in Fujairah, not a credible statement. Fujairah Customs is considering purchasing x-ray scanners for the seaport, but complained budget difficulties in general kept salaries noncompetitive and hampered training. End Summary

2.(SBU) Fujairah Customs is headquartered in a building immediately outside of the main gate of the Port of Fujairah. Fujairah Customs officers are assigned to Fujairah's main seaport, Fujairah airport, and one officer is responsible for the port Dibba, which is northernmost town on the UAE's Gulf of Oman coast.

Fujairah's Customs Force

3.(C) Hamad was unable to provide the exact number of customs officers under his command. He thought that there were about 15 inspectors assigned to the main port in Fujairah and the airport. Fujairah Customs' sole narcotics officer is also the organization's primary training officer. Hamad said one officer was assigned to the port of Dibba, but he was unable to specify whether an officer was permanently stationed there or if covering Dibba was a collateral duty for an inspector based elsewhere.

Recruiting from the Bottom Half of the Talent Pool

4.(C) Hamad admitted that because of low salaries, particularly in comparison to the private sector, Fujairah Customs is only able to recruit lesser-qualified high school graduates and high school dropouts. He explained that the military, the police, and the private sector attract the best high school graduates. He

stated that Emiratis who have some college training are unwilling to consider the Fujairah Customs service because of the low salaries. Hamad said few of his workforce spoke any English and turnover is a constant challenge.

Customs Training, or Lack Thereof?

5.(C) New customs officers in Fujairah are given one month of training when they are hired. Per Hamad's description, this appears to be on-the-job training under the supervision of the sole narcotics officer. Because the service lacks funds, new recruits are not sent to other emirates for training, nor are they provided law enforcement training. Despite this, he said some customs officers had attended training classes in Dubai and Abu Dhabi, and that they were expected to train the other Fujairah officers. Others had received Anti-Money Laundering (AML) training from the Central Bank in Abu Dhabi.

6.(SBU) Hamad told PolEconoffs that although Patent and Trademark Office IPR training in the US would greatly benefit Fujairah Customs, his organization did not have the money to send officers abroad. He supports training programs in the UAE and would send representatives to local training, but only if the training were provided in Arabic.

IPR Problems

7.(C) Hamad's statements concerning a recent IPR case indicates Fujairah Customs does not have a basic understanding of IPR, much less its legal nuances. He raised a recent case involving Philip Morris International (PMI) as an example. PMI representatives approached Customs with information that a Fujairah Free Zone-based business was moving counterfeit PMI cigarettes. Customs inspected a shipment, but because the shipper said these were not copies of PMI product -- merely very similar -- the activity was not illegal. Hamad told us he felt caught in the middle and did not know how to proceed, saying he was not an expert in this area. He ultimately decided the

DUBAI 00000155 002.2 OF 002

counterfeit shipper was a legitimate businessman conducting normal activity, and released the shipment. In a December meeting with PolEconoff, PMI representatives said they considered Fujairah government institutions to be part of the problem -- rather than part of the solution -- to IPR issues in that emirate. (reftel)

8.(C) PolEconoff explained to Hamad that UAE law lays out a formal process, whereby Customs officers would not be put in this difficult situation. Customs can refer disputes about trademark infringement to the judicial system where qualified lawyers representing both sides present their cases to a judge who decides whether or not the case is justified. PolEconoff explained that in fact, cases such as this happen regularly in Dubai and Abu Dhabi. Hamad, clearly uncomfortable, expressed an interest in moving on and the IPR conversation was halted.

Stolen Automobiles and Car Parts

9.(C) In an attempt to defend his organization, Hamad stated that they cooperate with Interpol on stolen cars. When pressed he could only speak about one instance of automobiles that had been shipped to the UAE via Fujairah that were later impounded by the authorities in Abu Dhabi because they were listed by Interpol as having been stolen. Hamad also mentioned that there were requests to interdict shipments of pirated automobile spare parts, but added that as with cigarettes, he had not been empowered to stop them. Comment: Hamad did not see the irony that stolen automobiles were imported into Fujairah but not detected until they were inspected by another jurisdiction in the UAE. End comment.

Hamad Claims Drugs Smuggling Not Occurring

10.(C) Hamad said drug smuggling into Fujairah is not a problem. He claimed that there were only a few instances of crewmen from

ships possessing small amounts of prescription medicines without proper documentation. He stated that he knew of no instances of hashish, opium/heroin, or other narcotics being smuggled into Fujairah. (Comment: While we do not have hard data on what drug smuggling may, or may not, be occurring, we do not believe Hamad's claim that it is not happening to be credible.)

X-ray Scanners Under Consideration

11.(C) Hamad stated that Fujairah Customs was considering purchasing x-ray machines to scan cargo containers entering Fujairah's seaport. He said Ras al-Khaimah's customs service had recently purchased an x-ray machine from China and if their experience was positive, Fujairah might purchase a similar unit.

Comment

12.(C) It is disconcerting that the Director General of a small customs force would be unable to discuss with certainty the size and operations of his force. Based on this discussion, it seems that Fujairah Customs lacks the knowledge, training and experience necessary to enforce the UAE IPR laws. It appears Customs' first priority is, in fact, facilitating business - without much regard, for example, for copyright and trademark infringement. Hamad's actions in the PM case -- acting as judge and jury -- are a disturbing indicator of the way other more serious cases could be mishandled. It is unclear, however, if his actions were based on simple ignorance or a more nefarious intent. Taken together, these factors - poor quality recruits, lack of training, spotty knowledge of procedure and the law, and dubious leadership -- call into question whether Fujairah Customs is capable of effective law enforcement.

SUTPHIN